



STATE OF CONNECTICUT
DIVISION OF SPECIAL REVENUE
CHARITABLE GAMES
P.O. BOX 310424
NEWINGTON, CONNECTICUT 06131-0424

September 15, 2006

Dear Sealed Ticket Permittee:

Below please find important regulatory requirements which you must conform to while engaging in the sale of sealed ticket games permitted by the Division of Special Revenue.

Special Sealed Ticket Bank Account, Check Requirements

Pursuant to Section 7-169h-21 of the Administrative Regulations, Distribution And Sale Of Sealed Tickets, proceeds from sealed ticket sales by SA, SM, SC or SE permit holders must each be kept in a separate special sealed ticket bank account which shall be in the form of a checking account. All receipts from sealed ticket sales, less the amount awarded as cash prizes, shall be deposited in the appropriate special sealed ticket account.

All special sealed ticket bank account checks must have the name of the permitted organization and the words 'Special Sealed Ticket Bank Account' imprinted on them. In addition, the organization's 7-digit identification number (Example #1700005) must also be printed on the face of each check. When addressing the identification number, please do not get confused and make the identification number your permit number by adding a dash, the year, and your permit letters (Example: 1700005-06SA). Such an error will jeopardize the approval of your checks. Furthermore, the checks for an SA weekly permit must also have "Weekly" printed on them, the checks for an SM monthly permit must have "Monthly" printed on them, the checks for an SC bar permit must have "Bar" printed on them, and the checks for an SE "special event" permit must have "Event" printed on them. (See sample checks enclosed). While the attached sample checks contain an organization's address because it is useful information, it is not a requirement that the checks contain your organization's address. The Division will not accept checks that do not conform to these requirements.

All receipts from sealed ticket sales, less the amount awarded as cash prizes, shall be deposited into this account no later than three business days, for sealed ticket activity in conjunction with bingo (SA) (SM), and weekly, for sealed ticket activity in conjunction with club liquor permits (SC) or with special event permits (SE).

The **commingling of any funds derived from the sale of sealed tickets** with any other funds of the permitted organization **is strictly prohibited**. This means sealed ticket account funds **may not** be transferred to a general fund account, unless as a disbursement addressed below!

Money shall be **withdrawn** from the special sealed ticket account **for the following purposes only**:

- (1) Payment of expenses which are reasonable and necessary and ordinarily incidental to the sale of sealed tickets.
- (2) Disbursement from net proceeds for charitable, civic, educational, fraternal, veterans', religious, volunteer fire department or grange purposes.

The following are allowable expenses:

- sealed ticket permit fees
- the purchase of sealed tickets
- starting cash banks
- the purchase of sealed ticket dispensing machines
- the rental of sealed ticket dispensing machines
- service on sealed ticket dispensing machines
- such other expenses as may be approved by the Division's Charitable Games Unit Head upon written request.

Disbursements from net proceeds may only be in the form of a donation or a contribution.

Sealed Ticket Record Keeping, Audit Procedures

In furtherance of Section 7-169h-20 of the Administrative Regulations, Distribution And Sale Of Sealed Tickets, the following manner of record keeping is hereby prescribed for sealed ticket permittees of the Division of Special Revenue, in light of the fact the Division is no longer requiring the submittal of the Monthly Sealed Ticket Report required pursuant to Section 7-169h-25 of the sealed ticket regulations. Each sealed ticket permittee is to maintain the following records:

1. Sealed Ticket Purchase Order copies to support all purchases.
2. A permanent record consisting of the date of sales activity and the dollar amount of sales for that specific date of activity.
3. A bank check register showing entries of deposits, replenishment of a cash bank, expenses, donations and adjustments; monthly bank statements; canceled checks; and deposit slips for the current month for which a bank statement has not yet been received.
4. Receipts for all allowable expenses.

All records incidental to the sale of sealed tickets shall be retained by the permitted organization and be available for inspection by the Executive Director of the Division or his authorized representative, for a period of five years from the close of the calendar year to which the records apply.

We perform audits of each sealed ticket permittee, periodically, to ensure the integrity of activity. When your organization is due for an audit, it will be contacted in order that a time and date may be established for the audit. All required records and ticket inventory must be available at the time of an audit.

If a permittee elects to withdraw a particular game packet permanently, the partial packet and winning tickets must be retained until an audit is performed and destruction instructions are issued by the Charitable Games Unit Head.

Tickets

Every sealed ticket permit requires its own inventory to be purchased specifically for that particular permit. For example, sealed tickets purchased in conjunction with a “Class A” bingo cannot be sold at a bazaar or at a “Class B” bingo.

Partial packets of tickets (either withdrawn from sale or actually on sale) are to be held by the permittee, along with ALL WINNING TICKETS PAID OUT, until the game packet is sold out. Games cannot be removed from sale prior to the high tier prizes being redeemed.

Minors cannot purchase or claim winnings from sealed tickets. Organizations cannot sell or distribute sealed tickets to minors.

Application to Amend

If sealed tickets are permitted in conjunction with another activity, such as a bingo session or bazaar event, and the bingo or bazaar permittee submits an amend form to “close” or change operating dates, the associated sealed ticket permittee must also amend its permit to “close” or change the same operating dates.

Any organization closing its sealed ticket activity for more than two consecutive weeks, for other than holidays and/or weather emergencies, must amend its activity closed and award the top prize of any seal card game or bingo event game (if any) prior to closing.

I hope that this information is helpful, but please do not hesitate to contact Charitable Games with questions on these requirements, Monday through Friday, 8:00 am until 5:00 pm, at 1-800-338-6331 or (860) 594-5480.

Very truly yours,

Paul D. Bernstein
Unit Head
Charitable Games Unit

PDB/vp

Enclosure

“SA” (Weekly) Permittees use this format:

Special Sealed Ticket Bank Account I.D. #1700005	<u>Weekly</u>	<u>51-3999</u>	1055
St. John's Church - Men's Club		3402	
263 Cedar Mountain Road, Anytown, CT 06000			
		DATE: _____	
PAY TO			
THE ORDER OF: _____		\$ _____	
_____		DOLLARS	
THE FIRST NATIONAL BANK			
MEMO _____		SIGNED _____	
:340239991 :10 0013718900 ' 1055			

“SM” (Monthly) Permittees use this format:

Special Sealed Ticket Bank Account I.D. #1700005	<u>Monthly</u>	<u>51-3888</u>	1080
St. John's Church - Men's Club		3904	
263 Cedar Mountain Road, Anytown, CT 06000			
		DATE: _____	
PAY TO			
THE ORDER OF: _____		\$ _____	
_____		DOLLARS	
THE FIRST NATIONAL BANK			
MEMO _____		SIGNED _____	
:390438881 :20 0014817900 ' 1080			

“SC” (Bar) Permittees use this format:

Special Sealed Ticket Bank Account I.D. #1700005	<u>Bar</u>	<u>51-2777</u>	1650
St. John's Church - Men's Club		3806	
263 Cedar Mountain Road, Anytown, CT 06000			
		DATE: _____	
PAY TO			
THE ORDER OF: _____		\$ _____	
_____		DOLLARS	
THE FIRST NATIONAL BANK			
MEMO _____		SIGNED _____	
:380627771 :30 0012716200 ' 1650			

“SE” (Event) Permittees use this format:

Special Sealed Ticket Bank Account I.D. #1700005

Event

51-2555

1260

St. John's Church - Men's Club

3604

263 Cedar Mountain Road, Anytown, CT 06000

DATE: _____

PAY TO

THE ORDER OF: _____ \$ _____

_____ DOLLARS

THE FIRST NATIONAL BANK

MEMO _____ SIGNED _____

|:360425551 |:20 0013714900 ||' 1260